

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W. R. Grace & Co., et al
Debtor

Case No. 01-01139 Jointly Administered
Reporting Period: July 2008

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)			See attached Attestation Form
Copies of bank statements			See attached Attestation Form
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

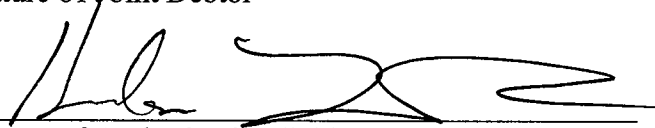
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

8/29/2008

Date

Hudson La Force III

Printed Name of Authorized Individual

Senior Vice President and
Chief Financial Officer

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

W. R. Grace & Co.
Monthly Financial Report
July 31, 2008

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Monthly Operating Report

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Bank Statements

See attached
Attestation Form

Federal Income Tax Returns

none

Forward-Looking Information

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

Statement of Confidentiality

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

Monthly Operating Report

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

July 2008

	JP Morgan Chase Disbursement 9101013572	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Bank of America Lockbox 8188703107	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257
CASH BEGINNING OF MONTH	\$ 43,827	\$ 525,640	\$ -	\$ 147,636,642	\$ 304	\$ 858,393	\$ 11,844,853
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES					(457)		174,877
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							50,000,000
TRANSFERS IN - THIRD PARTIES		445,272		51,184		2,777	1,962,673
TRANSFERS IN - NONFILING ENTITIES							19,756,212
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	300,000			52,000,000			295,772,404
MISCELLANEOUS		1,871,157					
TOTAL RECEIPTS	300,000	2,316,429	-	52,051,184	(457)	2,777	367,666,166
DISBURSEMENTS							
PAYROLL							
PAYROLL TAXES							
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION							
PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							20,000,000
DIP INTEREST AND USAGE FEES							168,276
TRANSFERS OUT - THIRD PARTIES	217,527						156,818,114
TRANSFERS OUT - NONFILING ENTITIES							268,720
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		958,123		154,600,000			200,701,804
MISCELLANEOUS							
TOTAL DISBURSEMENTS	217,527	958,123	-	154,600,000	-	-	377,956,914
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	82,473	1,358,306	-	(102,548,816)	(457)	2,777	(10,290,748)
CASH - END OF MONTH	\$ 126,300	\$ 1,883,946	\$ -	\$ 45,087,826	\$ (153)	\$ 861,170	\$ 1,554,105

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of certain other debtor entities, generally and primarily those that are inactive and/or have no direct employees. Such expenditures are generally de minimis and could include professional fees, state registration fees, business license fees and certain taxes.

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

July 2008

	Bank of America Lockbox 8188203114	Banc of America Securities LLC 22330134		First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 2,992,553	\$ 50,502,982	A	\$ 5,338,723	\$ (98,992)	\$ -	\$ 0
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES	55,114,304						
ACCOUNTS RECEIVABLE - INTERCOMPANY	1,844,086						
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				141,800,000	19,084,494		110,846
MISCELLANEOUS							
TOTAL RECEIPTS	56,958,390	-		141,800,000	19,084,494	-	110,846
DISBURSEMENTS							
PAYROLL					12,542,490		
PAYROLL TAXES					6,312,426		
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION							
PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	165,681						110,846
TRANSFERS OUT - NONFILING ENTITIES	9,296,004						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	47,717,269	265,394		140,052,135			
MISCELLANEOUS				8,090	130,581		
TOTAL DISBURSEMENTS	57,178,954	265,394		140,060,225	18,985,497	-	110,846
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(220,564)	(265,394)		1,739,775	98,997	-	-
CASH - END OF MONTH	\$ 2,771,989	\$ 50,237,588	A	7,078,498	\$ 5	\$ -	\$ 0

Note #1

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Note A

This account has been reported as "investment securities" in W.R. Grace & Co.- Conn's balance sheet as of July 31, 2008

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

July 2008

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	SunTrust Payroll 00000141309	PNC 4002641360	Hibernia Natl Disbursement 101391210	JP Morgan Chase Lockbox 304616494
CASH BEGINNING OF MONTH	\$ (3,286,532)	\$ -	\$ -	\$ -	\$ -	\$ 45,246	\$ (0)	\$ 10,000	\$ 20,528,980
RECEIPTS									
ACCOUNTS RECEIVABLE - THIRD PARTIES									42,727,677
ACCOUNTS RECEIVABLE - INTERCOMPANY									23,294,781
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI									
DIP BORROWINGS									
TRANSFERS IN - THIRD PARTIES									
TRANSFERS IN - NONFILING ENTITIES									
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	61,186,228			3,508,022	56,162,547				
MISCELLANEOUS	8,826,968			41,770	898,292				
TOTAL RECEIPTS	70,013,196	-	-	3,549,792	57,060,839	-	-	-	66,022,458
DISBURSEMENTS									
PAYROLL									
PAYROLL TAXES									
TRADE PAYABLES - THIRD PARTIES	(a) 65,139,099			3,549,792	57,060,839				
TRADE PAYABLES - INTERCOMPANY									
ACCOUNT SECURITIZATION									
PAYMENTS AS SERVICER FOR GRPI									
DIP PRINCIPAL REPAYMENTS									
DIP INTEREST AND USAGE FEES									
TRANSFERS OUT - THIRD PARTIES									
TRANSFERS OUT - NONFILING ENTITIES									
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS									86,297,011
MISCELLANEOUS									
TOTAL DISBURSEMENTS	65,139,099	-	-	3,549,792	57,060,839	-	-	-	86,297,011
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	4,874,097	-	-	-	0	-	-	-	(20,274,553)
CASH - END OF MONTH	\$ 1,587,565	\$ -	\$ -	\$ -	\$ -	\$ 45,246	\$ (0)	\$ 10,000	\$ 254,427

Note #1

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(a) These disbursements include Libby indictment, legal, and indemnification costs of \$1,435,910.

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

July 2008

	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco Interam de Finanzas 007000107847
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ 20,276	\$ 396,251	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES			49,466	642,744	-
ACCOUNTS RECEIVABLE - INTERCOMPANY			-	-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	-	-
DIP BORROWINGS			-	-	-
TRANSFERS IN - THIRD PARTIES			203,307	-	-
TRANSFERS IN - NONFILING ENTITIES			-	-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			-	-	-
MISCELLANEOUS					
TOTAL RECEIPTS	-	-	252,772	642,744	-
DISBURSEMENTS					
PAYROLL			27,371	-	-
PAYROLL TAXES			38,828	-	-
TRADE PAYABLES - THIRD PARTIES			-	454,224	-
TRADE PAYABLES - INTERCOMPANY			-	-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-	-	-
DIP PRINCIPAL REPAYMENTS			-	-	-
DIP INTEREST AND USAGE FEES			-	-	-
TRANSFERS OUT - THIRD PARTIES			114,406	200,000	-
TRANSFERS OUT - NONFILING ENTITIES			-	-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			-	-	-
MISCELLANEOUS			33,523	7,151	-
TOTAL DISBURSEMENTS	-	-	214,128	661,375	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	38,645	(18,631)	-
CASH - END OF MONTH	\$ -	\$ -	\$ 58,921	\$ 377,620	\$ -

Note #1

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W. R. Grace & Co. - Conn Schedule of Cash Receipts and Disbursements MOR-1 July 2008						
	Banco Interam de Finanzas 7000107707	HSBC Operating Acct 1128001	Bank Boston Operating Acct 154519	Cash in Transit	Cash on Hand	Other
CASH BEGINNING OF MONTH	\$ -	\$ 76,811	\$ -	\$ 369,285	\$ 22,203	\$ 202,017
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	-	56,625				
ACCOUNTS RECEIVABLE - INTERCOMPANY	-	-				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	-				
DIP BORROWINGS	-	-				
TRANSFERS IN - THIRD PARTIES	-	-				
TRANSFERS IN - NONFILING ENTITIES	-	-				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	-	-				
MISCELLANEOUS	-	-				
TOTAL RECEIPTS	-	56,625		-	-	-
DISBURSEMENTS						
PAYROLL	-	-				
PAYROLL TAXES	-	-				
TRADE PAYABLES - THIRD PARTIES	-	-				
TRADE PAYABLES - INTERCOMPANY	-	-				
ACCOUNT SECURITIZATION	-	-				
PAYMENTS AS SERVICER FOR GRPI	-	-				
DIP PRINCIPAL REPAYMENTS	-	-				
DIP INTEREST AND USAGE FEES	-	-				
TRANSFERS OUT - THIRD PARTIES	-	-		369,285		
TRANSFERS OUT - NONFILING ENTITIES	-	-				
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	-	-				
MISCELLANEOUS	-	9,178				(54,180)
TOTAL DISBURSEMENTS	-	9,178		369,285	-	(54,180)
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	47,447		(369,285)	-	54,180
CASH - END OF MONTH	\$ -	\$ 124,258	\$ -	\$ (0)	\$ 22,203	\$ 256,197

Note #1

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W. R. Grace & Co. - Conn		
Schedule of Cash Receipts and Disbursements		
MOR-1		
July 2008		
	CURRENT MONTH	
	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 238,029,480	\$ -
RECEIPTS		
ACCOUNTS RECEIVABLE - THIRD PARTIES	98,765,235	
ACCOUNTS RECEIVABLE - INTERCOMPANY	25,138,867	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	
DIP BORROWINGS	50,000,000	
TRANSFERS IN - THIRD PARTIES	2,665,212	
TRANSFERS IN - NONFILING ENTITIES	19,756,212	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	629,924,540	
MISCELLANEOUS	11,638,188	
TOTAL RECEIPTS	837,888,255	-
DISBURSEMENTS		
PAYROLL	12,569,861	
PAYROLL TAXES	6,351,254	
TRADE PAYABLES - THIRD PARTIES	126,203,954	
TRADE PAYABLES - INTERCOMPANY	-	
ACCOUNT SECURITIZATION		
PAYMENTS AS SERVICER FOR GRPI	-	
DIP PRINCIPAL REPAYMENTS	20,000,000	
DIP INTEREST AND USAGE FEES	168,276	
TRANSFERS OUT - THIRD PARTIES	157,995,859	
TRANSFERS OUT - NONFILING ENTITIES	9,564,724	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	630,591,737	
MISCELLANEOUS	134,343	
TOTAL DISBURSEMENTS	963,580,007	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(125,691,752)	-
CASH - END OF MONTH	\$ 112,337,708	\$ -

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of certain other debtor entities, generally and primarily those that are inactive and/or have no direct employees. Such expenditures are generally de minimis and could include professional fees, state registration fees, business license fees and certain taxes.

W.R. Grace & Co. Schedule of Cash Receipts and Disbursements MOR-1 July 2008			
	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	536,213	536,213	-
TOTAL RECEIPTS	536,213	536,213	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	536,213	536,213	-
MISCELLANEOUS		-	-
TOTAL DISBURSEMENTS	536,213	536,213	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

July 2008

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (86,770)	\$ -	\$ (86,770)	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		536,213		536,213	
TOTAL RECEIPTS	-	536,213	-	536,213	-
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		522,954		522,954	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	-	522,954	-	522,954	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	13,260	-	13,260	
CASH - END OF MONTH	\$ -	\$ (73,510)	\$ -	\$ (73,510)	\$ -

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

July 2008

	Citibank Operating Acct 300153011	Petty Cash	Other	Cash-in-Transit	CURRENT MONTH	
					ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 4,882,127	\$ -	\$ -	\$ -	\$ 4,882,127	\$ -
RECEIPTS						
		No Activity	No Activity	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES	434,142				434,142	
ACCOUNTS RECEIVABLE - INTERCOMPANY					-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					-	
DIP BORROWINGS					-	
TRANSFERS IN - THIRD PARTIES					-	
TRANSFERS IN - NONFILING ENTITIES					-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	309,656				309,656	
TOTAL RECEIPTS	743,798	-	-	-	743,798	-
DISBURSEMENTS						
PAYROLL	6,628				6,628	
PAYROLL TAXES	2,577				2,577	
TRADE PAYABLES - THIRD PARTIES	326,754				326,754	
TRADE PAYABLES - INTERCOMPANY					-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI					-	
DIP PRINCIPAL REPAYMENTS					-	
DIP INTEREST AND USAGE FEES					-	
TRANSFERS OUT - THIRD PARTIES					-	
TRANSFERS OUT - NONFILING ENTITIES					-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	309,656				309,656	
MISCELLANEOUS					-	
TOTAL DISBURSEMENTS	645,616	-	-	-	645,616	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	98,183	-	-	-	98,183	-
CASH - END OF MONTH	\$ 4,980,310	\$ -	\$ -	\$ -	\$ 4,980,310	\$ -

Grace International Holdings Schedule of Cash Receipts and Disbursements MOR-1 July 2008			
	Grace International Holdings 323136524	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	-
MISCELLANEOUS		-	-
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

CC Partners Schedule of Cash Receipts and Disbursements MOR-1 July 2008			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Kootenai Development Company			
Schedule of Cash Receipts and Disbursements			
MOR-1			
July 2008			
	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 58,792	\$ 58,792	\$ -
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	-
MISCELLANEOUS	12,498	12,498	-
TOTAL DISBURSEMENTS	12,498	12,498	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(12,498)	(12,498)	-
CASH - END OF MONTH	\$ 46,294	\$ 46,294	\$ -

Grace Europe, Inc. Schedule of Cash Receipts and Disbursements MOR-1 July 2008			
	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	-
DIP BORROWINGS		-	-
TRANSFERS IN - THIRD PARTIES		-	-
TRANSFERS IN - NONFILING ENTITIES		-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	-
PAYROLL TAXES		-	-
TRADE PAYABLES - THIRD PARTIES		-	-
TRADE PAYABLES - INTERCOMPANY		-	-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	-
DIP PRINCIPAL REPAYMENTS		-	-
DIP INTEREST AND USAGE FEES		-	-
TRANSFERS OUT - THIRD PARTIES		-	-
TRANSFERS OUT - NONFILING ENTITIES		-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	-
MISCELLANEOUS		-	-
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Gloucester New Communities Company, Inc. Schedule of Cash Receipts and Disbursements MOR-1 July 2008			
	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	-
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	-

Dewey & Almy, LLC			
Schedule of Cash Receipts and Disbursements			
MOR-1			
July 2008			
	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION			
PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

July 31, 2008

Office of the United States Trustee

Subject: Attestation Regarding Bank Account Reconciliations

The debtor, W. R. Grace & Co, et al, hereby submits this attestation regarding bank account reconciliations in lieu of providing copies of bank statements and copies of all account reconciliations.

The debtor has, on a timely basis, performed all bank account reconciliations in the ordinary course of business. Copies of bank account statements and reconciliations are available for inspection upon request by the United States Trustee's Office.

GRACE



Name: Hudson La Force
Position: Senior Vice President and
Chief Financial Officer

Sworn to and Subscribed
before me on this 29th
day of August, 2008.

LEAH ANGLE
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires September 13, 2011



W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 92,444,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	39,092,852	-	-	-	-	-	-	-	-
Net sales to filing entities	358,020	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	4,884,581	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(8,264,957)	4,715,830	596,022	19,173	845,233	-	2,602,915	-	-
	128,514,593	4,715,830	596,022	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	66,323,445	-	159	-	-	-	-	-	-
Cost of goods sold to non-filing entities	31,146,888	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	298,441	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	(a) 28,325,835	-	(1,849)	-	-	22,500	-	-	-
Research and development expenses	3,654,874	-	-	-	-	-	-	-	-
Depreciation and amortization	4,709,034	-	1,849	-	-	-	-	-	-
Interest expense	4,276,048	-	-	-	-	-	-	-	-
Other expense (income), net	3,423,343	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	6,844,215	-	-	-	-	-	-	-	-
	149,002,123	-	159	-	-	22,500	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(20,487,529)	4,715,830	595,864	19,173	845,233	(22,500)	2,602,915	-	-
(Provision for) benefit from income taxes	3,767,170	(1,650,540)	(208,752)	(6,711)	(295,832)	(3,792)	(911,020)	1,119	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ (16,720,360)	\$ 3,065,290	\$ 387,112	\$ 12,462	\$ 549,401	\$ (26,292)	\$ 1,691,895	\$ 1,119	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

(a) Amount includes \$2,227,279 of expense for Grace's legal and indemnification costs related to the Libby Indictment. \$839,996 of this amount relates specifically to the indemnification costs of the seven current and former employees under indictment.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 339,584	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	26,241	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(514,216)	-	-	-	-	-	-	-	-
	(487,975)	339,584	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	153,378	9,367	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	51,170	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	66,303	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	86,189	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	(7,055)	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	349,985	9,367	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(487,975)	(10,401)	(9,367)	-	-	-	-	-	-
(Provision for) benefit from income taxes	168,233	3,641	3,278	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ (319,743)	\$ (6,760)	\$ (6,089)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	12,498	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	12,498	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	(12,498)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	4,374	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ (8,124)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended July 31, 2008

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	(358,020)
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(358,020)
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	(349,610)
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income), net	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net of interest income	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	(349,610)
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	(8,410)
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,410)

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended July 31, 2008		
	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ 92,783,681
Net sales to non-filing entities	-	\$ 39,092,852
Net sales to filing entities	-	\$ -
Interest and royalties from non-filing entities, net	-	\$ 4,910,822
Interest and royalties from filing entities, net	-	\$ -
		\$ 136,787,355
Cost of goods sold to third parties	-	\$ 66,486,349
Cost of goods sold to non-filing entities	-	\$ 31,146,888
Cost of goods sold to filing entities	-	\$ -
Selling, general and administrative expenses	-	\$ 28,425,287
Research and development expenses	-	\$ 3,654,874
Depreciation and amortization	-	\$ 4,797,072
Interest expense	-	\$ 4,276,048
Other expense (income), net	-	\$ 3,416,289
Chapter 11 reorganization expenses, net of interest income	-	\$ 6,844,215
		\$ 149,047,021
(Loss) income before income taxes, minority interest and equity in net income of non-filing entities	-	\$ (12,259,666)
(Provision for) benefit from income taxes	-	\$ 871,168
Minority interest in income of subsidiary	-	\$ -
Equity in net income of non-filing entities	14,201,356	\$ 14,201,356
Net (loss) income	\$ 14,201,356	\$ 2,812,858

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
July 31, 2008

	W. R. Grace & Co. - Conn	W. R. Grace & Co.	Remedius Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 62,100,120	\$ -	\$ (73,510)	\$ -	\$ -	\$ -
Investment securities	50,237,588	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	70,832,228	-	-	-	-	-
Accounts and other receivables, net	123,749,398	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	409,897,955	(339,695,315)	(27,358,402)	12,875,432	(69,842,762)	(12,436,706)
Inventories	95,680,224	-	-	-	-	-
Deferred income taxes	37,838,245	-	121,825	-	-	-
Other current assets	18,912,332	-	0	-	-	-
Total Current Assets	869,248,090	(339,695,315)	(27,310,087)	12,875,432	(69,842,762)	(12,436,706)
Properties and equipment, net	401,891,796	-	343,208	-	-	-
Goodwill	24,163,463	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	3,946,554	-	-	-	-	-
Deferred income taxes	1,000,152,480	-	21,345,718	-	-	-
Asbestos-related insurance receivable	500,000,000	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,609,470,415)	1,086,498,524	113,090,294	5,876,014	254,851,158	-
Investment in filing and non-filing entities	1,141,655,864	241,512,111	-	-	-	-
Overfunded defined benefit pension plans	527,246	-	-	-	-	-
Other assets	45,109,640	-	-	-	-	1
Total Assets	\$ 2,377,224,718	\$ 988,315,319	\$ 107,469,133	\$ 18,751,446	\$ 185,008,395	\$ (12,436,705)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	90,655,458	-	285,368	-	-	-
Income taxes payable	1,029,741	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	(3,577)	-	-	-	-	-
Other current liabilities	128,220,474	-	(129,566)	-	-	4,031
Total Current Liabilities	249,902,096	-	155,802	-	-	4,031
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	229,280,070	-	-	-	-	-
Minority interest in consolidated entities	54,323,909	-	-	-	-	-
Underfunded defined benefit pension plans	164,924,411	-	-	-	-	-
Other liabilities	44,607,019	-	-	-	-	-
Total Liabilities Not Subject to Compromise	743,037,505	-	155,802	-	-	4,031
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	808,504,125	-	-	-	-	-
Drawn letters of credit plus accrued interest	29,559,694	-	-	-	-	-
Income tax contingences	(77,129,344)	99,484,969	(12,833,662)	437,629	19,814,337	(231,702)
Asbestos-related contingences	1,700,000,000	-	-	-	-	-
Environmental contingences	85,110,445	-	61,335,841	-	-	-
Postretirement benefits	165,357,656	-	-	-	-	-
Other liabilities and accrued interest	126,226,060	-	656,146	-	-	-
Total Liabilities Subject to Compromise	2,837,628,637	99,484,969	49,158,326	437,629	19,814,337	(231,702)
Total Liabilities	3,580,666,142	99,484,969	49,314,128	437,629	19,814,337	(227,671)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	83,968,960	835,307	12,223	1,000	-	1,000
Paid in capital	142,809,878	431,216,885	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(1,020,004,141)	514,251,352	48,418,333	(15,739,649)	109,182,481	(12,210,035)
Treasury stock, at cost	-	(57,473,294)	-	-	-	-
Accumulated other comprehensive (loss) income	(410,216,121)	100	-	-	-	-
Deferred compensation trust	-	100	-	-	-	-
Total Shareholders' Equity (Deficit)	(1,203,441,424)	888,830,350	58,155,005	18,313,817	165,194,058	(12,209,035)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,377,224,718	\$ 988,315,319	\$ 107,469,133	\$ 18,751,446	\$ 185,008,395	\$ (12,436,705)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
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July 31, 2008

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewife Land Corporation
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 4,980,311	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	100,395	-	-	1,810,690	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,610)	5,859,374	140,524,854	(86,783,450)	2,173,727	(5,108,945)
Inventories	-	-	-	-	216,776	-
Deferred income taxes	-	102,487	-	-	55,181	-
Other current assets	-	-	-	-	0	-
Total Current Assets	(386,938,610)	6,062,256	140,524,854	(86,783,450)	9,236,684	(5,108,945)
Properties and equipment, net	-	-	-	-	573,212	-
Goodwill	-	-	-	-	1,256,948	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	609,498,810	(3,287,945)	-	37,223,715	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	54,000	-	-	6,211,057	-
Total Assets	\$ 222,560,200	\$ 2,828,311	\$ 140,524,854	\$ 9,109,729	\$ 17,277,901	\$ (5,108,945)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	26,989	-	991,146	860,819	24,000
Income taxes payable	-	-	-	-	(1,040,725)	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	254,984	-	6,622,676	190,554	-
Total Current Liabilities	-	281,973	-	7,613,822	10,648	24,000
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	(169,509)	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	(1)	-	-
Total Liabilities Not Subject to Compromise	-	281,973	-	7,444,312	10,648	24,000
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	61,037,842	(1,070,427)	(150)	(6,989,184)	791,326	(390,255)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	394,830	-	-	133,907	-
Total Liabilities Subject to Compromise	61,037,842	(675,598)	(150)	(6,989,184)	925,233	(390,255)
Total Liabilities	61,037,842	(393,625)	(150)	455,128	935,881	(366,255)
Shareholders' Equity (Deficit)						
Preferred stock	112	-	-	-	-	-
Common stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	61,845,489	13,074,177	274,606
(Accumulated deficit)/Retained earnings	190,788,656	(506,850)	115,166,011	(97,424,672)	3,266,843	(5,017,495)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	3,727,785	-	44,232,784	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	161,522,358	3,221,935	140,525,004	8,654,601	16,342,020	(4,742,690)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 222,560,200	\$ 2,828,311	\$ 140,524,854	\$ 9,109,729	\$ 17,277,901	\$ (5,108,945)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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July 31, 2008

	Alewif Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(26,161)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(2,143,580)	-	(57,817,172)	(110)	(330)	(26,161)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 55,985,416
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(210)	-	-	(110)	(330)	(7,489)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(210)	-	-	(110)	(330)	(7,489)
Total Liabilities	(210)	-	-	(110)	(330)	(7,489)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,492,905
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	55,992,905
Total Liabilities and Shareholders' Equity (Deficit)	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 55,985,416

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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July 31, 2008

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 46,294	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	7,535	-	-	-	-	-
Total Current Assets	43,346	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	16,957	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 60,302	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	5,000	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	5,000	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	(435,210)	(195)	10,346,794	(230)	-	-
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(435,210)	(195)	10,346,794	(230)	-	-
Total Liabilities	(435,210)	4,805	10,346,794	(230)	-	-
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	5,150	-	-
Paid in capital	1,303,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(808,442)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	(99,212)	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	495,512	(26,618,827)	47,000,396	(7,283,596)	-	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 60,302	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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July 31, 2008

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
Total Current Liabilities	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	3	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(110)	-	(110)	(560)	(560)	(450)
Total Liabilities	(110)	-	(110)	(557)	(560)	(450)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(10,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	5,824,394	(8,966)	(1,118,993)	10,284,682	890	(2,417,264)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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July 31, 2008

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(818)	(110)	(210)	(110)	(30)
Total Liabilities	-	(818)	(110)	(210)	(110)	(30)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(1,230,683)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(1,230,583)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

July 31, 2008

	W. R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W. R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	91,572
Accounts and other receivables, net	-	-	-	-	-	(19,551,219)
Receivables from/(payables to) filing and non-filing entities, net	36,708,315	-	(73,061)	(12,559,518)	(264,688)	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,315	-	(73,061)	(12,559,518)	(264,688)	(19,459,146)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,121	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,455,080)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	199	4,066
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(821)	-	(110)	(265)	(759)	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(821)	-	(110)	(265)	(759)	-
Total Liabilities	(821)	-	(110)	(265)	(560)	4,066
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,464,146)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,459,146)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,121	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,455,080)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

July 31, 2008

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(1,432)	(300)	(335)	(405)	(185)	(110)
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(1,432)	(300)	(335)	(405)	(185)	(110)
Total Liabilities	(1,432)	(300)	(335)	(405)	(185)	(110)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

July 31, 2008

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,390,816	(15,750,664)	5,296,839	875,359	(5,314)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,699	4,390,816	(15,750,664)	5,296,839	875,359	(5,314)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,786	\$ (9,744,909)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingencies	(119)	(110)	-	(360)	(310)	(260)
Asbestos-related contingencies	-	-	-	-	-	-
Environmental contingencies	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(119)	(110)	-	(360)	(310)	(260)
Total Liabilities	(119)	(110)	-	(360)	(310)	(260)
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,656,772)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	(9,744,799)	(15,750,664)	5,297,199	875,669	(5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,786	\$ (9,744,909)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities
Combining Balance Sheet
MOR - 3
July 31, 2008

	Coal/Grace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Overfunded defined benefit pension plans	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	25,064,465	25,064,465	-	-	-
Minority interest in consolidated entities	-	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	25,064,465	25,064,465	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-	-
Income tax contingences	(360)	3,962,996	3,963,171	(480)	(110)	-
Asbestos-related contingences	-	-	-	-	-	-
Environmental contingences	-	-	-	-	-	-
Postretirement benefits	-	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(360)	3,962,996	3,963,171	(480)	(110)	-
Total Liabilities	(360)	29,027,461	29,027,636	(480)	(110)	-
Shareholders' Equity (Deficit)						
Preferred stock	-	-	-	-	-	-
Common stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

July 31, 2008

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclasses
ASSETS					
Current Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment securities	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Accounts and other receivables, net	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	200,000
Inventories	-	-	-	-	-
Deferred income taxes	-	-	-	-	(5,449,795)
Other current assets	-	-	-	-	-
Total Current Assets	-	-	-	-	(5,249,795)
Properties and equipment, net	-	-	-	-	-
Goodwill	-	-	-	-	-
Cash value of life insurance policies, net of policy loans	-	-	-	-	-
Deferred income taxes	-	-	-	-	(279,239,491)
Asbestos-related insurance receivable	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-
Investment in filing and non-filing entities	-	-	(1,323,702,717)	(35,429,832)	1,800,000
Overfunded defined benefit pension plans	-	-	-	-	-
Other assets	-	-	(1,201,282)	-	-
Total Assets	\$ -	\$ -	\$ (1,324,903,999)	\$ (35,429,832)	\$ (282,689,287)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)					
Liabilities Not Subject to Compromise					
Current Liabilities					
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Income taxes payable	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-
Other current liabilities	-	-	-	-	843,867
Total Current Liabilities	-	-	-	-	843,867
Debt payable after one year	-	-	-	-	-
Deferred income taxes	-	-	-	-	(279,239,491)
Minority interest in consolidated entities	-	-	-	-	-
Underfunded defined benefit pension plans	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-
Total Liabilities Not Subject to Compromise	-	-	(100,000)	-	(278,395,625)
Liabilities Subject to Compromise					
Debt, pre-petition plus accrued interest	-	-	-	-	-
Drawn letters of credit plus accrued interest	-	-	-	-	-
Income tax contingences	-	-	-	-	-
Asbestos-related contingences	-	-	-	-	-
Environmental contingences	-	-	-	-	-
Postretirement benefits	-	-	-	-	-
Other liabilities and accrued interest	-	-	-	-	(12,093,662)
Total Liabilities Subject to Compromise	-	-	-	-	(12,093,662)
Total Liabilities	-	-	(100,000)	-	(290,489,287)
Shareholders' Equity (Deficit)					
Preferred stock	-	-	-	-	-
Common stock	-	-	(86,493,960)	-	-
Paid in capital	-	-	(1,222,770,000)	-	-
(Accumulated deficit)/Retained earnings	-	-	(16,540,039)	(41,668,946)	2,000,000
Treasury stock, at cost	-	-	-	-	-
Accumulated other comprehensive (loss) income	-	-	1,000,000	6,239,114	5,800,000
Deferred compensation trust	-	-	-	-	-
Total Shareholders' Equity (Deficit)	-	-	(1,324,803,999)	(35,429,832)	7,800,000
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,324,903,999)	\$ (35,429,832)	\$ (282,689,287)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W. R. Grace & Co. - Chapter 11 Filing Entities**Combining Balance Sheet****MOR - 3****July 31, 2008**

	COMBINED FILING ENTITIES
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 67,053,714
Investment securities	\$ 50,237,588
Cash value of life insurance policies, net of policy loans	\$ 70,832,228
Accounts and other receivables, net	\$ 125,752,055
Receivables from/(payables to) filing and non-filing entities, net	\$ 145,352,814
Inventories	\$ 95,897,000
Deferred income taxes	\$ 32,667,943
Other current assets	\$ 18,919,867
Total Current Assets	\$ 606,713,209
Properties and equipment, net	\$ 403,263,618
Goodwill	\$ 25,420,411
Cash value of life insurance policies, net of policy loans	\$ 3,946,554
Deferred income taxes	\$ 742,258,706
Asbestos-related insurance receivable	\$ 500,000,000
Loans receivable from/(payable to) filing and non-filing entities, net	\$ 444,241,305
Investment in filing and non-filing entities	\$ 477,220,972
Overfunded defined benefit pension plans	\$ 527,246
Other assets	\$ 50,177,481
Total Assets	\$ 3,253,769,502
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	
Liabilities Not Subject to Compromise	
Current Liabilities	
Debt payable within one year	\$ 30,000,000
Accounts payable	\$ 92,847,847
Income taxes payable	\$ (10,984)
Asbestos-related liability expected to be disbursed within one year	\$ (3,577)
Other current liabilities	\$ 136,007,221
Total Current Liabilities	\$ 258,840,507
Debt payable after one year	\$ -
Deferred income taxes	\$ (0)
Minority interest in consolidated entities	\$ 54,328,909
Underfunded defined benefit pension plans	\$ 164,924,411
Other liabilities	\$ 44,507,019
Total Liabilities Not Subject to Compromise	\$ 522,600,846
Liabilities Subject to Compromise	
Debt, pre-petition plus accrued interest	\$ 808,504,125
Drawn letters of credit plus accrued interest	\$ 29,559,694
Income tax contingences	\$ 100,740,668
Asbestos-related contingences	\$ 1,700,000,000
Environmental contingences	\$ 146,446,286
Postretirement benefits	\$ 165,357,656
Other liabilities and accrued interest	\$ 115,317,281
Total Liabilities Subject to Compromise	\$ 3,065,925,710
Total Liabilities	\$ 3,588,526,556
Shareholders' Equity (Deficit)	
Preferred stock	\$ 112
Common stock	\$ 837,984
Paid in capital	\$ 434,883,879
(Accumulated deficit)/Retained earnings	\$ (363,690,184)
Treasury stock, at cost	\$ (57,473,294)
Accumulated other comprehensive (loss) income	\$ (349,315,551)
Deferred compensation trust	\$ 98
Total Shareholders' Equity (Deficit)	\$ (334,757,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 3,253,769,502

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

Chart 5

W. R. Grace & Co. - Conn Status of Postpetition Taxes MOR-4 July 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ (8,058)	\$ 2,256,521	\$ (2,254,805)	\$ (6,342)
FICA - Employee	72	1,180,013	(1,177,273)	2,812
FICA and payroll- Employer	2,162,411	1,180,013	(757,832)	2,584,592
Unemployment	-	1,644	(1,644)	-
Other	-	8,750	(8,750)	-
Total Federal Taxes	\$ 2,154,425	\$ 4,626,941	\$ (4,200,304)	\$ 2,581,062
State and Local				
Withholding	\$ 31,341	\$ 769,802	\$ (740,483)	\$ 60,660
Sales & Use	804,825	619,013	(605,056)	818,782
Property Taxes	2,087,412	331,098	(22,811)	2,395,699
Other	-	97,968	(97,968)	-
Total State and Local	\$ 2,923,578	\$ 1,817,881	\$ (1,466,318)	\$ 3,275,141
Total Taxes	\$ 5,078,003	\$ 6,444,822	\$ (5,666,622)	\$ 5,856,203

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Remedium Group, Inc. Status of Postpetition Taxes MOR-4 July 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ (6,782)	\$ 7,093	\$ (1,146)	\$ (835)
FICA - Employee	-	2,605	(2,605)	-
FICA and payroll- Employer	-	2,605	(2,052)	553
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ (6,782)	\$ 12,303	\$ (5,803)	\$ (282)
State and Local				
Withholding	\$ (1,010)	\$ 739	\$ 271	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ (1,010)	\$ 739	\$ 271	\$ -
Total Taxes	\$ (7,792)	\$ 13,042	\$ (5,532)	\$ (282)

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Grace Washington, Inc. Status of Postpetition Taxes MOR-4 July 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ 2,582	\$ 5,060	\$ (5,060)	\$ 2,582
FICA - Employee	141	274	(274)	141
FICA and payroll- Employer	139	274	(274)	139
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ 2,862	\$ 5,608	\$ (5,608)	\$ 2,862
State and Local				
Withholding	\$ 532	\$ 1,052	\$ (1,052)	\$ 532
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ 532	\$ 1,052	\$ (1,052)	\$ 532
Total Taxes	\$ 3,394	\$ 6,660	\$ (6,660)	\$ 3,394

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

L B Realty, Inc. Status of Postpetition Taxes MOR-4 July 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ -	\$ -	\$ -	\$ -
FICA - Employee	-	-	-	-
FICA and payroll- Employer	-	-	-	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ -	\$ -	\$ -
State and Local				
Withholding	\$ -	\$ -	\$ -	\$ -
Sales & Use	-	-	-	-
Property Taxes	-	-	-	-
Other	-	-	-	-
Total State and Local	\$ -	\$ -	\$ -	\$ -
Total Taxes	\$ -	\$ -	\$ -	\$ -

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 5

Darex Puerto Rico, Inc. Status of Postpetition Taxes MOR-4 July 31, 2008				
	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Ending Tax Liability
	A	B	= C-A-B	C
Federal				
Withholding	\$ -		\$ -	\$ -
FICA - Employee	-	680	(680)	-
FICA and payroll- Employer	-	680	(680)	-
Unemployment	-	-	-	-
Other	-	-	-	-
Total Federal Taxes	\$ -	\$ 1,360	\$ (1,360)	\$ -
State and Local				
Withholding	\$ -	\$ 1,136	\$ (1,136)	\$ -
Sales & Use	89	88	41	218
Property Taxes	267,387	(2,900)	5,800	270,287
Other	-	-	-	-
Total State and Local	\$ 267,476	\$ (1,676)	\$ 4,705	\$ 270,505
Total Taxes	\$ 267,476	\$ (316)	\$ 3,345	\$ 270,505

Note #4

Grace's information systems do not provide the detailed nature of invoices in Accounts Payable. See Debtor Questionnaire (Chart 7, MOR – 5) for attestation related to accounts payable and tax obligations.

Chart 6

W. R. Grace & Co. - Conn
Accounts Receivable Reconciliation and Aging
MOR-5
July 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ 124,381,250
Amounts billed during the period	\$ 92,444,097
Amounts collected during the period	\$ (98,765,235)
Other	\$ 3,410,070
Trade accounts receivable at the end of month, gross	\$ 121,470,182

Trade Accounts Receivable Aging

Current	\$ 101,577,940
1-30 days past due	\$ 15,659,270
31-60 days past due	\$ 2,761,864
+61 days past due	\$ 1,471,108
Trade accounts receivable, gross	\$ 121,470,182
Allowance for doubtful accounts	\$ (1,199,209)
Trade accounts receivable, net	\$ 120,270,973

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ 120,270,973
Customer notes and drafts receivable	\$ 817,438
Pending customer credit notes	\$ (591,304)
Advances and deposits	\$ 2,066,749
Nontrade receivables, net	\$ 1,185,542
Total notes and accounts receivable, net	\$ 123,749,398

Chart 6

Darex Puerto Rico, Inc. Accounts Receivable Reconciliation and Aging MOR-5 July 2008	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ 2,075,456
Amounts billed during the period	339,584
Amounts collected during the period	(434,142)
Other	(7,663)
Trade accounts receivable at the end of month, gross	\$ 1,973,235
Trade Accounts Receivable Aging	
Current	\$ 1,080,742
1-30 days past due	377,271
31-60 days past due	280,704
+61 days past due	234,518
Trade accounts receivable, gross	1,973,235
Allowance for doubtful accounts	(151,203)
Trade accounts receivable, net	\$ 1,822,032
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ 1,822,032
Customer notes and drafts receivable	-
Pending customer credit notes	(2,278)
Advances and deposits	(9,064)
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ 1,810,690

Chart 6

Remedium Group, Inc. Accounts Receivable Reconciliation and Aging MOR-5 July 2008	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	-
Total notes and accounts receivable, net	\$ -

Chart 6

Gloucester New Communities Company, Inc.
Accounts Receivable Reconciliation and Aging

MOR-5
July 2008

Trade Accounts Receivable Reconciliation

Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -

Trade Accounts Receivable Aging

Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -

Notes and Accounts Receivable Reconciliation

Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	91,572
Total notes and accounts receivable, net	\$ 91,572

Chart 6

Grace Europe, Inc. Accounts Receivable Reconciliation and Aging MOR-5 July 2008	
Trade Accounts Receivable Reconciliation	
Trade accounts receivable, beginning of month, gross	\$ -
Amounts billed during the period	-
Amounts collected during the period	-
Other	-
Trade accounts receivable at the end of month, gross	\$ -
Trade Accounts Receivable Aging	
Current	\$ -
1-30 days past due	-
31-60 days past due	-
+61 days past due	-
Trade accounts receivable, gross	-
Allowance for doubtful accounts	-
Trade accounts receivable, net	\$ -
Notes and Accounts Receivable Reconciliation	
Trade accounts receivable, net	\$ -
Customer notes and drafts receivable	-
Pending customer credit notes	-
Advances and deposits	-
Nontrade receivables, net	100,395
Total notes and accounts receivable, net	\$ 100,395

Chart 7

W.R. Grace & Co., et al Debtor Questionnaire MOR - 5 July 31, 2008		
	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account for this reporting period? If yes, provide an explanation below.		See Note #5 below
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in affect? If no, provide and explanation below.	X	
5. Are post-petition accounts payable and tax obligations current and paid to date? If no, provide an explanation.	X (unless disputed in normal course of business)	

Note #5

As part of the first day orders submitted to the court on April 2, 2001, an application for the Debtors to (a) continue and maintain their consolidated cash management system, (b) continue and maintain their existing bank accounts and (c) continue to use existing business forms and granting related relief was included. The Debtors have continued to use their existing bank accounts and no new debtor in possession accounts have been established.

List assets sold/transferred outside the normal course of business over \$25,000:		
Description of Asset	Sale Date	Proceeds

Combined Chapter 11 Filing Entity Statements

Chart 8

W. R. Grace & Co. - Chapter 11 Filing Entities				
Combined Statements of Operations				
In millions	Month Ended July 31,		Seven Months Ended July 31,	
	2008	2007	2008	2007
Net sales to third parties	\$ 92.8	\$ 84.5	\$ 616.4	\$ 596.1
Net sales to non-filing entities	39.0	35.8	314.8	268.4
Interest and royalties from non-filing entities	4.9	2.9	42.9	22.6
	136.7	123.2	974.1	887.1
Cost of goods sold to third parties	66.5	56.6	441.7	392.1
Cost of goods sold to non-filing entities	31.2	28.0	248.5	209.3
Selling, general and administrative expenses	25.0	29.1	173.1	180.4
Depreciation and amortization	4.8	4.9	34.0	31.8
Research and development expenses	3.7	3.4	26.5	24.5
Defined benefit pension expense	3.4	3.3	22.1	22.5
Interest expense	4.3	5.9	33.6	44.9
Other (income) expense, net	3.4	(0.6)	(14.8)	(6.1)
Provision for asbestos-related litigation, net of estimated insurance recovery	-	-	-	-
Provision for environmental remediation	-	-	5.9	12.0
Chapter 11 expenses, net of interest income	6.8	9.7	43.2	51.2
	149.1	140.3	1,013.8	962.6
Income (loss) before income taxes and equity in net income of non-filing entities	(12.4)	(17.1)	(39.7)	(75.5)
Benefit from (provision for) income taxes	0.9	2.7	(15.9)	15.3
Income (loss) before equity in net income of non-filing entities	(11.5)	(14.4)	(55.6)	(60.2)
Equity in net income of non-filing entities	14.3	15.5	97.0	86.6
Net income	\$ 2.8	\$ 1.1	\$ 41.4	\$ 26.4

W. R. Grace & Co. - Chapter 11 Filing Entities

Combined Functional Basis Statements of Cash Flows

<i>In millions</i>	Month Ended July 31, 2008	Seven Months Ended July 31, 2008	Seven Months Ended July 31, 2007
<u>Core operations cash flow</u>			
Pre-tax income (loss) from core operations	\$ 6.4	\$ 56.9	\$ 50.7
Depreciation and amortization	4.8	34.0	31.8
	11.2	90.9	82.5
Payments under defined benefit pension arrangements	(0.1)	(35.3)	(48.8)
Change in Non-Filing entity operating loans including interest payments and Investment	0.4	131.4	55.5
Changes in all core assets/liabilities and other	32.9	(10.1)	(37.9)
Core Pre-tax Operating Cash Flow	44.4	176.9	51.3
Capital expenditures	(5.4)	-	(41.4)
Purchase of short-term investments	-	(39.2)	(25.0)
Core Pre-tax Operating Free Cash Flow	39.0	137.7	(15.1)
<u>Charges against core reserves</u>			
Deferred compensation	-	(0.1)	(0.2)
Self insurance	(0.3)	(0.9)	(0.9)
Total Spending Against Core Reserves	(0.3)	(1.0)	(1.1)
Net Core Cash Flow	38.7	136.7	(16.2)
<u>Noncore cash flow</u>			
Proceeds from asset sales	-	-	-
Cash paid to resolve contingencies subject to Chapter 11	(150.0)	(251.6)	(10.3)
Proceeds from sales of investment securities	-	46.7	-
Legal fees	(1.4)	(12.7)	(8.0)
Other noncore pre-tax cash flow	(1.3)	(7.3)	(3.8)
Noncore Pre-tax Cash Flow	(152.7)	(224.9)	(22.1)
<u>Charges against noncore reserves</u>			
Environmental remediation	(1.3)	(2.5)	(5.4)
Retained obligations and other	0.1	-	(0.7)
Postretirement benefits	(0.6)	(3.9)	(3.8)
Total Spending Against Noncore Reserves	(1.8)	(6.4)	(9.9)
Noncore Cash Flow	(154.5)	(231.3)	(32.0)
Total Pre-tax/Pre-interest/Pre-Chapter 11 Cash Flow	(115.8)	(94.6)	(48.2)
Cash paid for taxes, net of refunds	-	(2.6)	(2.7)
Cash paid for interest, net	(0.4)	(28.3)	1.6
Chapter 11 expenses paid	(8.9)	(45.6)	(43.8)
Interest income on filing entity cash balances	(0.1)	1.2	5.4
Cash Flow before Strategic Investments	(125.2)	(169.9)	(87.7)
<u>Strategic Investments</u>			
Purchase of equity investment	-	(3.0)	-
Dividends received from non-filing entities	-	16.9	46.0
Proceeds from exercise of stock options	-	9.6	19.4
Cash used for Strategic Investments	-	23.5	65.4
Cash Flow after Strategic Investments	(125.2)	(146.4)	(22.3)
Fees under debtor-in-possession credit facility	(0.1)	(1.4)	(1.5)
Net (investing)/financing activities under life insurance policies	-	8.1	0.3
Net Cash Flow	\$ (125.3)	\$ (139.7)	\$ (23.5)

Chart 10

W. R. Grace & Co. - Chapter 11 Filing Entities			
Combined Balance Sheets			
Amounts in millions	July 31, 2008	December 31, 2007	April 2, 2001
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 67.1	\$ 206.8	\$ 8.6
Investment securities	50.2	98.3	-
Cash value of life insurance policies, net of policy loans	70.8	77.1	-
Trade accounts receivable, less allowance of \$1.4 (2007 - \$1.7, Filing Date - \$0.7)	122.4	108.3	32.3
Receivables from non-filing entities, net	145.3	103.2	51.2
Inventories	95.9	82.6	80.6
Deferred income taxes	32.7	22.3	80.9
Asbestos-related insurance expected to be realized within one year	-	-	17.0
Other current assets	22.4	24.8	33.4
Total Current Assets	606.8	723.4	304.0
Properties and equipment, net	403.3	403.8	400.4
Goodwill	25.4	25.4	13.6
Cash value of life insurance policies, net of policy loans	3.9	3.9	64.1
Deferred income taxes	742.3	745.7	401.0
Asbestos-related insurance expected to be realized after one year	500.0	500.0	323.4
Loans receivable from non-filing entities, net	444.2	524.2	387.5
Investment in non-filing entities	477.2	395.4	121.0
Overfunded defined benefit pension plans	0.5	1.5	-
Deferred pension costs	-	-	236.0
Other assets	50.2	52.3	72.5
Total Assets	\$ 3,253.8	\$ 3,375.6	\$ 2,323.5
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)			
Liabilities Not Subject to Compromise			
Current Liabilities			
Debt payable within one year	\$ 30.0	\$ -	\$ -
Accounts payable	92.8	63.5	-
Other current liabilities	136.0	160.5	-
Total Current Liabilities	258.8	224.0	-
Minority interest in consolidated entities	54.3	62.1	0.3
Underfunded defined benefit pension plans	164.9	159.6	-
Other liabilities	44.6	39.0	31.5
Total Liabilities Not Subject to Compromise	522.6	484.7	31.8
Liabilities Subject to Compromise			
Pre-petition debt plus accrued interest	808.5	783.0	511.5
Drawn letters of credit plus accrued interest	29.6	26.9	-
Income tax contingencies	100.7	89.3	242.1
Asbestos-related contingencies	1,700.0	1,700.0	1,002.8
Environmental contingencies	146.4	368.6	164.8
Postretirement benefits	165.3	172.7	256.2
Other liabilities and accrued interest	115.4	137.0	188.6
Total Liabilities Subject to Compromise	3,065.9	3,277.5	2,366.0
Total Liabilities	3,588.5	3,762.2	2,397.8
Shareholder's Equity (Deficit)			
Common stock	0.8	0.8	0.8
Paid in capital	434.9	431.5	432.6
Accumulated deficit	(363.7)	(405.1)	(201.8)
Treasury stock, at cost	(57.5)	(63.7)	(136.4)
Accumulated other comprehensive loss	(349.2)	(350.1)	(169.5)
Total Shareholders' Equity (Deficit)	(334.7)	(386.6)	(74.3)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 3,253.8	\$ 3,375.6	\$ 2,323.5

Basis of Presentation

The interim Combined Financial Statements presented herein represent the results of operations, cash flows and financial position of the Debtors. These financial statements pertain to periods beginning with, and subsequent to, the Filing Date and have been prepared in conformity with requirements of the Bankruptcy Court. Consequently, these financial statements do not purport to present the financial performance of W. R. Grace & Co. in conformity with U.S. generally accepted accounting principles which would require the consolidation of all controlled subsidiaries and more extensive notes and analysis related to the worldwide operations of W. R. Grace & Co. Financial activity of non-Debtor entities is not presented herein. However, all non-Debtor entities are either directly or indirectly controlled by the Debtors and, accordingly, non-Debtor financial results are reflected under the equity method of accounting. These financial statements are unaudited and should be read in conjunction with the consolidated financial statements presented in the Company's 2007 Annual Report on Form 10-K and other periodic filings with the U.S. Securities and Exchange Commission.

These interim Combined Financial Statements reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results of the interim periods presented under U.S. generally accepted accounting principles; all such adjustments are of a normal recurring nature. All significant inter-Debtor accounts and transactions have been eliminated. Transactions and balances with non-Debtor entities are separately disclosed.

The results of operations for the seven-month interim period ended July 31, 2008 are not necessarily indicative of the results of operations for the year ending December 31, 2008.

Other Balance Sheet Accounts

<i>(In millions)</i>	July 31, 2008	Filing Date
Inventories		
Raw materials.....	\$ 39.7	\$ 20.3
In process.....	26.4	16.2
Finished products.....	92.4	63.8
General merchandise.....	13.5	9.6
Less: Adjustment of certain inventories to a last-in/first-out (LIFO) basis.....	(76.1)	(29.3)
	\$ 95.9	\$ 80.6
Other Assets		
Deferred charges.....	27.0	40.4
Long-term receivables.....	0.3	1.9
Long-term investments.....	3.0	2.1
Patents, licenses and other intangible assets, net.....	19.9	25.2
Other assets.....	--	2.9
	\$ 50.2	\$ 72.5
Other Current Liabilities		
Accrued compensation.....	\$ 40.2	\$ --
Accrued commissions.....	3.5	--
Customer programs.....	15.5	--
Accrued freight.....	8.8	--
Accrued reorganization fees.....	25.1	--
Other accrued liabilities.....	42.9	--
	\$ 136.0	\$ --
Other Liabilities		
Deferred royalty income – non-filing entities.....	\$ --	\$ 31.5
Accrued compensation.....	3.9	--
Fair value of foreign currency exchange rate forward contracts.....	16.8	--
Other accrued liabilities.....	23.9	--
	\$ 44.6	\$ 31.5
Other Liabilities Subject to Compromise		
Accrued interest on pre-petition liabilities.....	40.3	--
Accounts payable.....	31.2	43.0
Retained obligations of divested businesses.....	30.8	43.5
Other accrued liabilities.....	13.0	102.1
	\$ 115.3	\$ 188.6

Accrued compensation in the table above includes salaries and wages as well as estimated current amounts due under the annual and long-term incentive programs.

Life Insurance

Grace is the beneficiary of corporate-owned life insurance ("COLI") policies on certain current and former employees with a net cash surrender value of \$74.7 million at July 31, 2008. The policies were acquired to fund various employee benefit programs and other long-term liabilities and are structured to provide cash flow (primarily tax-free) over an extended number of years.

The following table summarizes the components of net cash value at July 31, 2008 and Filing Date:

Components of Net Cash Value <i>(In millions)</i>	July 31, 2008	Filing Date
Gross cash value	\$ 79.7	\$ 453.7
Principal – policy loans	(4.7)	(390.3)
Accrued interest – policy loans	(0.3)	0.7
Total net cash value	74.7	64.1
Less: current portion	(70.8)	--
Net cash value – long term	\$ 3.9	\$ 64.1
Insurance benefits in force	\$ 123.2	\$ 2,286.0

Grace's financial statements display income statement activity and balance sheet amounts on a net basis, reflecting the contractual interdependency of policy assets and liabilities.

In July 2008, Grace surrendered and terminated life insurance policies and received approximately \$8.1 million of net cash value from the terminations. As a result of the terminations, gross cash value of the policies was reduced by approximately \$8.1 million. Grace's insurance benefits in force was reduced by approximately \$18.9 million.

Debt

On July 31, 2008 and the Filing Date, Grace's debt was as follows:

Components of Debt <i>(In millions)</i>	July 31, 2008	Filing Date
Debt payable within one year		
DIP facility	\$ --	\$ --
Other short-term borrowings and related fees payable	--	--
	\$ --	\$ --
Debt payable after one year		
DIP facility	\$ --	\$ --
Other long-term borrowings	--	--
	\$ --	\$ --
Debt Subject to Compromise		
Bank borrowings	\$ 500.0	\$ 500.0
Accrued interest on bank borrowings	308.5	
Drawn letters of credit	55.7	--
Accrued interest on drawn letters of credit	3.9	--
8.0% Notes Due 2004	--	5.7
7.75% Notes Due 2002	--	2.0
Other borrowings	--	1.2
Accrued interest	--	2.6
	\$ 868.1	\$ 511.5
Annualized weighted average interest rates on total debt	5.6%	6.1%

The Debtors have entered into a debtor-in-possession post-petition loan and security agreement, or DIP facility, with a syndicate of lenders that, as amended effective April 1, 2008, provides for up to \$165 million of revolving loans and face amount of letters of credit. The DIP facility is secured by a priority lien on substantially all assets of the Debtors with the exclusion of the capital stock of non-U.S. subsidiaries, and bears interest based on the London Interbank Offered Rate (LIBOR). The term of the DIP facility ends on the earlier of April 1, 2010 or the Debtors' emergence from Chapter 11. The DIP facility permits the increase of commitments of existing lenders and/or commitments by new lenders up to an aggregate maximum of \$250 million.

As of July 31, 2008, the Debtors have a \$30.0 million loan and \$66.6 million of standby letters of credit issued and outstanding under the DIP facility. These letters of credit and other holdback provisions reduced the aggregate unused availability for revolving loans and letters of credit, as of the April 1, 2008 effective date of the amended DIP facility, to \$61.8 million. The letters of credit were issued mainly for trade-related matters such as performance bonds, as well as certain insurance and environmental matters.